

# Telecom Egypt and Orange Egypt sign Final Settlement Agreement Ending Legal Disputes

**Wednesday, 22 November 2017**

Telecom Egypt (Ticker: ETEL.CA; TEEG.LN) and Orange Egypt announce that they have reached a final settlement agreement of the ongoing disputes between both companies. The settlement agreement was signed today.

As per this settlement agreement, Telecom Egypt and Orange Egypt will settle all the pending disputes related to interconnection, infrastructure and international gateway services mainly (i) the arbitration case no. 644 for the year 2009 before the Cairo Regional Centre for International Commercial Arbitration, and (ii) Court case no. 341 for the 8th Judicial Year before the Economic Court of Cairo; and any direct or indirect related legal proceedings.

The agreement marks the complete settlement of all pending disputed amounts between Telecom Egypt and Orange Egypt covering the period from 2008 to October 2017 relating to interconnection, leased lines and international services. Within the framework, both companies have also agreed to undertake the necessary legal steps to waive the above mentioned disputes.

In terms of financial impact for Telecom Egypt, based on the agreement Telecom Egypt will book in Q4 2017 on its P&L additional revenue of EGP 49m and impairment to receivables of EGP 225m. The latter however is a non-cash charge and the settlement agreement in fact will lead to a net positive cash flow to Telecom Egypt of EGP 74m.

## **Ahmed El Beheiry, Group Chief Executive, commented:**

“We are pleased with the resolution of our dispute and the settlement achieved, which was enabled by the mutual cooperation between Telecom Egypt and Orange. This marks the complete resolution of the longstanding legal disputes with Orange. The settlement agreement strengthens our collaboration and paves the way to the framework we will agree on in the future. We look forward to expanding our business relationship with Orange.”

**- End -**

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## About Telecom Egypt

Telecom Egypt (te), Egypt's incumbent telecom operator, started its operations in 1854 with the first telegraph line in Egypt. te was corporatized in 1998 to replace the former Arab Republic of Egypt National Telecommunication Organization (ARENTO). 2017 marks a new milestone for the company as it transforms into a fully integrated telecom operator through the long awaited launch of mobile services on 19 September 2017.

te provides consumer and enterprise telecom services including fixed plus mobile voice and data services and has been able to gain 1m customers in its first month of mobile launch. te also maintains its market leadership position in the fixed broadband market with a market share of 78%. The company also provides wholesale services including bandwidth capacity leasing to ISPs, and national and international interconnection services.

Aside from its own mobile operations, the company owns a 45% stake in Vodafone Egypt, the leading and most profitable mobile operator in Egypt.

te's shares and GDRs (Ticker: ETEL.CA; TEEG.LN) are traded on The Egyptian Exchange and the London Stock Exchange.

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